

Message Text

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PAGE 01 STATE 184710
ORIGIN EB-08

INFO OCT-01 AF-10 ARA-14 EA-09 EUR-12 NEA-10 IO-14
ISO-00 L-03 H-02 AGRE-00 CIAE-00 COME-00 INR-07
LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 FRB-01 OMB-01
/102 R

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APPROVED BY EB:JLKATZ

EB/ORF/ICD:CANGEVINE

-----010913 061205Z /12

P 060226Z AUG 77

FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS PRIORITY

AMEMBASSY ABIDJAN PRIORITY

AMEMBASSY BANGKOK PRIORITY

AMCONSUL BELIZE PRIORITY

AMEMBASSY BONN PRIORITY

AMEMBASSY BRUSSELS PRIORITY

AMCONSUL CALI PRIORITY

AMEMBASSY CANBERRA PRIORITY

AMCONSUL CAPE TOWN PRIORITY

AMEMBASSY COPENHAGEN PRIORITY

AMCONSUL DURBAN PRIORITY

USMISSION GENEVA PRIORITY

AMCONSUL GUAYAQUIL PRIORITY

AMEMBASSY KHARTOUM PRIORITY

AMEMBASSY LILONGWE PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY MAPUTO PRIORITY

AMEMBASSY MANILA PRIORITY

AMEMBASSY MBABANE PRIORITY

AMEMBASSY MOSCOW PRIORITY

AMEMBASSY NEW DELHI PRIORITY

AMEMBASSY OTTAWA PRIORITY

AMEMBASSY PARIS PRIORITY

AMEMBASSY PORT LOUIS PRIORITY

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 184710

AMEMBASSY PRETORIA PRIORITY

AMCONSUL RIO DE JANEIRO PRIORITY

AMCONSUL SAO PAULO PRIORITY

AMEMBASSY SEOUL PRIORITY

AMEMBASSY STOCKHOLM PRIORITY

AMEMBASSY SUVA PRIORITY

AMEMBASSY TAIPEI PRIORITY

AMEMBASSY ANTANANARIVO PRIORITY
AMEMBASSY TOKYO PRIORITY
AMEMBASSY THE HAGUE PRIORITY
AMEMBASSY VIENNA PRIORITY
AMEMBASSY WELLINGTON PRIORITY

UNCLAS STATE 184710

USEEC, USOECD

E.O. 11652: NA

TAGS: ETRD, EAGR

SUBJECT: HOUSE/SENATE CONFERENCE ACTION ON SUGAR

1. THE SENATE/HOUSE CONFERENCE COMMITTEE ON THE FARM BILL CONCLUDED ITS CONSIDERATION OF SUGAR AUGUST 4. THE CONFERENCE ADOPTED DOMESTIC SUPPORT PRICE FOR SUGAR THAT WOULD GUARANTEE FARMERS 52.5 PERCENT OF PARITY (OR ABOUT 13.5 CENTS PER LB. AT CURRENT PARITY LEVELS). THE HOUSE HAD EARLIER ADOPTED HIGHER SUPPORT LEVEL OF 55-65 PERCENT OF PARITY. CONFERENCE ALSO DECIDED TO GIVE THE SECRETARY OF AGRICULTURE THE RIGHT TO SUSPEND THESE SUPPORTS IF AN INTERNATIONAL SUGAR AGREEMENT (ISA) SUCCEEDED IN RAISING U.S. PRICE TO AT LEAST 13.5 CENTS
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 184710

PER POUND.

2. ADMINISTRATION SPOKESMAN AND CONFEREES AGREED DURING CONFERENCE THAT U.S. IMPORT CONTROLS ON SUGAR WOULD PROBABLY BE NECESSARY PRIOR TO IMPLEMENTATION OF ISA. EXPECTATION OF CONFEREES WAS THAT ADMINISTRATION WOULD DECIDE TO IMPOSE TARIFFS BEYOND CURRENT 1.875 CENTS PER POUND TO RAISE PRICE OF IMPORTED SUGAR TO DOMESTIC SUPPORT LEVELS. NO FINAL DECISION HAS BEEN MADE ON THIS POINT, HOWEVER AND IT IS NOT YET CERTAIN TARIFFS WILL BE IMPOSED.

3. ADMINISTRATION FORCES WORKED ACTIVELY FOR REDUCTION OF SUPPORT LEVEL AND FOR PROVISION SUSPENDING PRICE SUPPORT PROGRAM (AND ANY POSSIBLE RESULTING IMPORT CONTROLS) WHEN WORKABLE AND EFFECTIVE ISA IS IN PLACE. DEPARTMENT BELIEVES THAT ACCEPTANCE BY CONFERENCE OF THESE CHANGES REMOVES ANY POTENTIAL CONFLICT BETWEEN A DOMESTIC PROGRAM AND AN ISA AND PAVES THE WAY FOR A SUCCESSFUL CONCLUSION TO ISA NEGOTIATIONS IN SEPTEMBER.

4. BOTH HOUSES EXPECTED TO APPROVE CONFERENCE BILL; HOWEVER, UNKNOWN WHETHER THIS CAN BE DONE BEFORE RECESS,

WHICH BEGINS AUGUST 6.

5. ACTION REQUESTED: POSTS MAY DRAW ON ABOVE BACKGROUND IN CONVERSATION WITH HOST GOVERNMENT OFFICIALS. STRESS SHOULD BE PUT ON FACT THAT ADMINISTRATION, DESPITE HEAVY DOMESTIC PRESSURE, WAS DETERMINED TO AVOID MEASURES WHICH COULD HAVE LED TO PERMANENTLY PROTECTED U.S. SUGAR MARKET AND WAS SUCCESSFUL IN REACHING ACCORD WITH CONGRESS THAT LEFT WAY OPEN FOR AN INTERNATIONAL SOLUTION TO SUGAR PROGRAM. U.S. REMAINS DEDICATED TO A WORKABLE INTERNATIONAL SUGAR AGREEMENT WHICH WE HOPE TO CONCLUDE IN GENEVA IN SEPTEMBER. U.S. POSITION CONTINUES TO BE THAT IT WILL MAINTAIN OPEN MARKET FOR SUGAR WHEN A WORKABLE ISA IS IN FORCE.

UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 184710

6. FOR LONDON: PLEASE PASS SUBSTANCE OF THIS CABLE TO JONES-PARRY. CHRISTOPHER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, US CONGRESSIONAL HEARINGS, SUBSIDIES
Control Number: n/a
Copy: SINGLE
Sent Date: 06-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE184710
Document Source: CORE
Document Unique ID: 00
Drafter: DHBURNS:SKW
Enclosure: n/a
Executive Order: N/A
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Expiration:
Film Number: D770282-1013
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770889/aaaacxlj.tel
Line Count: 139
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e73ce360-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
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Previous Classification: n/a
Previous Handling Restrictions: n/a
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Review Content Flags:
Review Date: 20-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1685742
Secure: OPEN
Status: NATIVE
Subject: HOUSE/SENATE CONFERENCE ACTION ON SUGAR
TAGS: ETRD, EAGR
To: ALL POSTS ABIDJAN MULTIPLE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/e73ce360-c288-dd11-92da-001cc4696bcc
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